

Message Text

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PAGE 01 MANILA 11572 271022Z

ACTION EA-09

INFO OCT-01 ISO-00 EB-08 /018 W

-----094032 271203Z /43

R 270749Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2906

INFO USDOC WASHDC

AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE 4558

AMEMBASSY KUALA LUMPUR

AMEMBASSY TOKYO

AMCONGEN HONG KONG

UNCLAS MANILA 11572

E.O. 11652: N/A

TAGS: EMIN, RP

SUBJECT: MAJOR PROJECTS: PHILIPPINE COPPER SMELTER

EFS: A. 76 MANILA 18492, B. 76 MANILA 16341

1. ARTHUR G. MCKEE HAS COMPLETED THE BASIC ENGINEERING STUDIES FOR THE PASAR COPPER SMELTER PROJECT AND IS CONTINUING TO SOLICIT BID QUOTATIONS FOR EQUIPMENT SUPPLY FROM FIRMS WORLDWIDE. MCKEE'S CALIFORNIA OFFICE IS HANDLING THE SOLICITATIONS. POTENTIAL SUPPLIERS ARE BEING ASKED TO HOLD THEIR PRICE OFFERS GOOD THROUGH THE END OF 1977 WHEN EQUIPMENT SOURCING DECISIONS ARE EXPECTED.

2. PASAR REPORTEDLY HAS IN HAND PRELIMINARY FINANCING OFFERS FROM "MORE THAN SIX" DIFFERENT COUNTRIES THAT TOTAL 300 PERCENT OF PROJECT NEEDS. WHILE NONE OF THE OFFERS IS FROM THE U.S., ONE EUROPEAN BANK IS OFFERING A EURODOLLAR LOAN THAT COULD BE USED TO
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SOURCE EQUIPMENT EITHER IN THE U.S. OR EUROPE. THE CONSENSUS SEEMS TO BE THAT MCKEE WILL INVESTIGATE FIRST ALL POSSIBLE SOURCES OF EQUIPMENT, A PROCESS THAT HAS BEEN UNDERWAY FOR SOME TIME, AND THEN BASE ITS PROCUREMENT DECISION ON A TRADE-OFF BETWEEN THE BEST EQUIPMENT OFFER AND THE BEST FINANCING OFFER.

3. A JAPANESE CONSORTIUM REPORTEDLY HAS OFFERED A TURN-KEY PROPOSAL FOR THE SMELTER, REFINERY, AND SULPHURIC ACID PLANT INCLUDING FINANCING. THIS PROPOSAL WILL BE EVALUATED IN TERMS OF ITS TOTAL COST ATTRACTIVENESS COMPARED TO THE WORLD-WIDE SOURCHING AND PROJECT MANAGEMENT APPROACH PRESENTLY BEING UNDERTAKEN BY MCKEE.

4. MCKEE HAS SEVEN SEPARATE BIDS FOR THE TURN-KEY CONSTRUCTION OF THE SULPHURIC ACID PLANT WHICH WILL BE AN INTEGRAL PART OF THE SMELTER PROJECT. THESE INCLUDE THE USE OF U.S. (MONSANTO) AND GERMANY (LURGI) TECHNOLOGY FROM LICENSEE FIRMS IN THE U.S., CANADA, GERMANY, AND JAPAN. FINANCING IS NOT PART OF THESE BIDS, BUT WILL COME FROM THE OFFERS CITED ABOVE.

5. THE ABOVE IS BASED ON DISCUSSIONS EMBOFF HAS HAD RECENTLY WITH PEOPLE CLOSE TO THE PROJECT IN PASAR, BANCOM, BOI AND DEPARTMENT OF INDUSTRY, WE CONCLUDE THE COPPER SMELTER PROJECT IS ACTIVELY BEING PACKAGED. FINAL PURCHASING DECISIONS MAY COME IN EARLY 1978. OPPORTUNITIES CONTINUE TO EXIST FOR U.S. SUPPLIERS WHO SHOULD CONTACT ARTHUR G. MCKEE OFFICES AT SAN MATEO, CALIFORNIA DIRECTLY FOR FURTHER DETAILS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, PROGRAMS (PROJECTS)
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Copy: SINGLE
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770267-0929
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From: MANILA
Handling Restrictions: n/a
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Litigation History:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1735729
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS: PHILIPPINE COPPER SMELTER EFS: A. 76 MANILA 18492, B. 76 MANILA 16341
TAGS: EMIN, RP
To: STATE
Type: TE
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